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June 14, 1994

VIA FEDERAL EXPRESS

Mr. William F. Caton, Secretary
Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Re: Petition for Reconsideration or Clarification by Zenith Electronics Corporation: Implementation of Section 17 of the Cable Television Consumer Protection and Competition Act of 1992; Compatibility Between Cable Systems and Consumer Electronics Equipment (ET Docket No. 93-7).

Dear Mr. Canton:

Enclosed please find an original and nine (9) copies of the Petition for Reconsideration or Clarification by Zenith Electronics Corporation regarding the above captioned matter, submitted in response to the Notice ofthe Report and Order published May 16, 1994.

Sincerely,

Enclosure

EX PARTE OR LATE FILED

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

In the matter of	)	
	)	
Implementation of Section 17 of the	)	
Cable Television Consumer Protection	)	ET Docket No. 93-7
and Competition Act of 1992	)	
	)	
	)	
	)	
Compatibility Between Cable Systems	)	
and Consumer Electronics Equipment	)	

PETITION FOR RECONSIDERATION OR CLARIFICATION
BY ZENITH ELECTRONICS CORPORATION

As a manufacturer of color televisions, a supplier of videocassette recorders, a manufacturer of cable and related equipment, and a participant in the Grand Alliance for proposing a standard for High Definition Television, Zenith has played an active role in the deliberations of the Cable-Consumer Compatibility Advisory Group.

Accordingly, Zenith strongly supports the overall thrust of the Report and Order in the above-captioned matter for which official public notice was given May 16, 1994, at 59 Fed. Reg. 25339 (1994). There are, however, selected items which require reconsideration or clarification to avoid unintended results potentially harmful to the industries involved, to competition, and, directly and indirectly, to consumers. As everyone involved is well aware, the formulation of this Rule has been part of

enormously complex and demanding process, one with still miles to go, and it is remarkable that just a few items need to be addressed.

1. The requirement of negative advisory labeling on products and their containers not claimed to be "cable ready" should be eliminated.

As a matter of law, we do not believe the Commission has authorization in the Act to impose this requirement. The Cable Act, 47U.S.C. §624A(c)(2)(A), only asked the Commission "to specify the technical requirements with which a television receiver or videocassette recorder must comply in order to be sold as 'cable compatible' or 'cable ready.'" To extend the reach of Commission labeling requirements to a statement that TVs and VCRs "do not comply" with specific commission standards would require a clear finding that it is necessary to implement the statute. For the reasons stated below, we do not believe the record can support such a finding.

We understand and appreciate the concerns that have led the Commission to adopt this rule. There is a long history of consumer confusion over the terms "cable ready" and "cable compatible," and this negative labeling would be one element in a process of force-feeding education to the public. However, while the purpose is a valid one, it will be sufficiently advanced in other ways without this

requirement that manufacturers actively stimulate consumer dissatisfaction with these products.

Adoption of the standards for cable-ready equipment has, in effect, started a race among manufacturers to introduce this new technology. The products meeting the standard will be more expensive because they will be more costly to make, and manufacturers and retailers will be under tremendous pressure to justify that additional cost in consumers' minds. As the new equipment becomes available to the public, we will be flooded with newspaper, radio and television reports on what "cable ready" equipment is and how it differs from previous versions. All of this will come on top of the consumer education effort required of cable operators in the Rule.

The built-in incentives for education are powerful, therefore, and there is simply no need for a product not built to this new standard to carry the negative statement that it "does not comply" with an FCC requirement. In fact, such a statement, if not specifically read by the consumer in the store, will cause confusion only among consumers who have already purchased the product and have it in the home (since neither location is typically inspected or even seen by consumers in the store), and the cost of resolving that confusion will fall upon retailers, equipment manufacturers, and, to a certain extent, cable companies. While many consumers will know what the statement means, others who have been educated

(to the extent necessary to make an intelligent purchase) will think they know what it means but will be uncertain. Over 20 million TVs are sold every year: a few million (or even a few hundred thousand) post-purchase telephone calls asking or confirming the meaning of the language will be a heavy burden indeed. The negativity in the language will also cause some to reconsider what may have been a perfectly rational purchase decision, again at the expense of the retailer who must employ personnel to investigate, fight or give in if the consumer has a change of heart.

We submit that a result like this effectively minimizing the desirability of existing TV technology is not part of the mandate given to the Commission.

2. Cable operator obligations with respect to remote control infrared codes should be re-worded or clarified.

As currently worded, Section 76.630(c) of the Cable Television Service portion of the Rule would, literally construed, either prevent a cable service from ever switching suppliers of cable equipment or require cable equipment manufacturers to customize the infrared code for each local operator.

Construed in this fashion, this provision would have a significant anti-competitive effect by giving current equipment vendors to cable systems an enormous

advantage over competitive suppliers, thus ultimately costing the consumer dearly. We do not believe this effect was intended by the Commission because the consumer-purchased remote control units which the Commission is trying to protect against disablement are typically "universal," multi-brand or "learning" remotes which typically can deliver appropriate infra-red codes to most, if not all, known cable boxes.

Furthermore, while the existing universe of consumer equipment and multi-brand creates strong incentives for cable equipment manufacturers to maintain the same codes, a new manufacturer may have to adopt a new code. We do not believe it can be a proper construction of the purposes of the Act to preclude, in effect, the entry of new cable equipment manufacturers.

3. The requirement of 55dB spurious signal attenuation with respect to tuner overload should be changed to the C3AG recommendation of 51dB.

The higher level of 55dB as stated in the Rule is unnecessary to prevent tuner overload and will increase the cost of producing receivers without corresponding benefits to the consumer.

Distortion products in television tuners are proportional to the input signal strength. The measurement procedure uses a + 15 DBmV input signal. In reality,

typical cable systems run near +6 DBmV, which would provide a 9 dB improvement in second order distortion products and even more in third order distortion products. Therefore, a 51 dB limit at +15 DBmV input level would be more than adequate.

The vast majority of tuners in use today tune to 550 MHz. or lower. There is little data for frequencies above that. Preliminary data on higher frequency units suggest that meeting even the 51dB is challenging. Measurements of this type are usually taken on double conversion tuners and there is a large data base available as these are the types widely used in converters today. However, to avoid a serious increase in cost, use of single conversion tuners are being considered by manufacturers as well. There is very little data relative to this type of measurement available today for single conversion tuners.

In the single conversion designs, selectivity is not as good at the high end of the band as it is at the low end. Therefore, the distortion products will not be as good at the high end. Double conversion tuners, on the other hand, have a uniform band pass across the spectrum. If one specification limit is used across the entire band, the use of single conversion designs may be hampered seriously if not precluded entirely from use in the future. Since it is expected that lower power, digital signals will be used at the high end of the spectrum, beat patterns will not be of the same concern as analog signals at the same frequencies. In addition, the

lower limit would be more appropriate as the majority of cable systems in use today are at 550 MHz. or lower.

4. The Commission needs to clarify that compliance with the labeling requirements of Canada on cable compatibility does not create any obligations under the Rule.

We also request clarification regarding use of terminology required by the Department of Communications in Canada. The Canada General Radio Regulations specify that all television receivers sold in Canada which tune VHF, UHF, and mid-band and super-band cable channels, contain a permanent label or marking in the English and French languages which states "Cable Compatible Television Apparatus Canada GRR Part II." For Zenith, and, we believe, other manufacturers, the most cost effective method of compliance with this requirement is to emboss the statement in the rear cabinet panel.

Use of this certification statement should not be precluded under Part 15.19(a)(d)(2) for the following reasons: (1) this wording is specifically regulated by Canadian law and is thus not used as an act of "marketing;" (2) the certification statement specifically identifies compliance only with the cable compatibility requirements for Canada; and (3) precluding the sale of these products simply by virtue of the fact that they are labeled in compliance with Canadian law would violate the spirit and intent of the North American Free

Trade Act. Zenith has always offered its entire model line for sale in both Canada and the United States. Eliminating the use of the Canadian certification statement on our products would require the creation of separate models for each country based solely upon this condition. The burden and huge expense that would result year after year is not warranted.

In this regard, we feel that it is the intent of the Commission to preclude the advertising and marketing of devices using terminology which may cause confusion rather than to deny sale of models because they are labeled with a statement which specifically certifies compliance with Canadian law. We therefore request that this specific wording on the product as required under Canadian law be deemed to be of no significance under Part 15.

5. Because of these and perhaps other complexities concerning the term "cable compatible" specifically, it would be wise for the Commission to delay the effective date of the restrictions on that term.

While we believe most consumer equipment manufacturers have for all intents and purposes stayed away from the term "cable ready," there are complex issues as raised above with the term "cable compatible." The Commission has been under great pressure to adopt a rule involving enormous technological changes to be accommodated within an economic system of free competition. We believe it

simply has not had the appropriate time to give full consideration to the very different issues -- ones of a different kind of complexity not normally within the expertise of the Commission -- involved in public education and communication. We understand that the Consumer Electronics Group of the Electronics Industries Association is requesting delay in the implementation of this requirement, and we endorse that suggestion. We believe it will result in a better rule with minimal impact on consumers.

These are certainly matters of importance or we would not be submitting these comments. But we would also be remiss not to observe the enormous accomplishment which the Rule represents. The public will never really comprehend how difficult the Commission's task was here, but we do.

Respectfully submitted,

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By _____
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